



**Written Testimony of Larry Stafford, Executive Director of Progressive Maryland  
On Montgomery County Council Bill 35-21:  
Prevailing Wage – Construction Contracts – Amendments**

**POSITION: SUPPORT WITH AMENDMENTS**

Thank you for the opportunity to submit written testimony in support of Bill 35-21: Prevailing Wage Requirements – Construction Contracts – Amendments. My name is Larry Stafford, and I am the Executive Director of Progressive Maryland.

Progressive Maryland has thousands of members across the state, including a large chapter in Montgomery County. Progressive Maryland is a multi-racial, working-class political organization that is building a movement to save our planet and put working people in control of our government and economy while ending all forms of structural oppression within our state.

We at Progressive Maryland support Bill 35-21 because clarifies and expands the County's prevailing wage ordinance. Specifically, if passed, Bill 35-21 would apply to "routine operation, repair, and service contracts for maintenance of existing structures, buildings, or real property that will significantly restore, change, increase, or extend service life." Such a change would bring Montgomery County's prevailing wage ordinance into line with Baltimore County's, which was passed in 2020 with bi-partisan support. It will also clarify that road milling and resurfacing, and sidewalk replacement, should be covered by prevailing wage; for more than a decade, the Executive has been inappropriately classifying such projects as service contracts.

Bill 35-21 will improve workers' wages and level the playing field for more types of construction contractors. Without prevailing wage, low-road contractors cut wages to the bone to try and win work—at the detriment to workers. As we seek to recover from the Covid-19 pandemic, policies like prevailing wage are more important than ever. So, this is the right time to be expanding the roster of public works projects covered by prevailing wage.

It is also critical that Montgomery County spell out its policies with regard to prevailing wage and economic development subsidies. In 2020, County Council Bill 29, which provided a PILOT to private development on WMATA properties located in the County, was silent on whether prevailing wage should apply, and an amendment to require it failed to pass on a 4-5 vote. Bill 35-21 helps address this shortfall in the County's Code of Ordinances by applying prevailing wage to certain PILOT projects. **Progressive Maryland suggests amending Bill 35-21 so that it defines and covers tax increment financing (TIFs) and public-private partnerships (P3s) in case the county ever adopts these tools.** Baltimore County's prevailing wage law includes TIFs, PILOTs, and P3s valued at \$5,000,000 or more, so the precedent exists.

Moreover, by expanding its prevailing wage law, Montgomery County will be shifting more employment on County public works projects to County residents, which will have a positive economic impact on its local economy. According academic research, prevailing wage laws help promote local companies, who also tend to employ local residents.

Progressive Maryland supports reducing the prevailing wage threshold from \$500,000. **Progressive Maryland suggests amending the bill to lower the threshold to \$250,000, or the state's threshold, whichever is lower.** \$250,000 is the state's new threshold, and it is the threshold of both Baltimore and Anne Arundel Counties. No other locality tethers their prevailing wage threshold to the state's threshold. So why should Montgomery County?

Progressive Maryland also supports the local hiring component of Bill 35-21, which requires county contractors to use best efforts to fill at least 51% of new jobs required to complete county-financed construction projects with county residents. It is important that taxpayer dollars create taxpayer jobs. **Progressive Maryland suggests amending Bill 35-21 to clearly articulate a "best efforts" reporting requirement, and a process for withholding county payments for contractors who violate those requirements.**

We at Progressive Maryland urge the County Council to pass Bill 35-21, and send it to the desk of County Executive Elrich as soon as possible.

Thank you for the opportunity to share the viewpoint of Progressive Maryland on this very important bill.